



Value Activation™: ‘Getting Stuff Done’

It’s the moment when the rubber hits the road: You have made the strategic choices, or refreshed your operating model, or set ambitious performance improvement targets. It is time for action, but regardless of the choices you’ve made, it all comes down to the critical question of how best to activate change. Frankly, what is the best way of “getting stuff done”?

We see clients confront this dilemma almost every day. Our journey with clients encompasses hard-fought wins and painful mishaps, and through these experiences, we have developed a structured and disciplined approach to Value Activation. Every activation effort will have its nuances, but in our experience, there are seven key elements that every organization needs to get right to have the best chance of successfully getting stuff done.

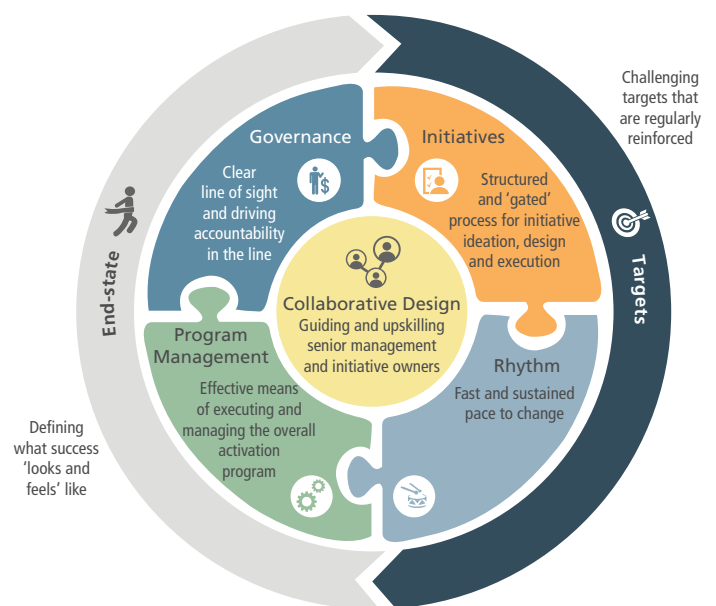
THE METHOD

L.E.K. Consulting’s Value Activation approach is based on seven elements. Each element is important in its own right, but the greatest value is realized when they work in concert.

End-state: Defining what success ‘looks and feels’ like

The term “vision” is much overused in business. We prefer the use of a simple narrative that articulates why change is needed, but importantly also describes how the organization will look and feel when change has been successful. Ideally, this can be expressed in financial terms, but it should also describe how capabilities will evolve and how the DNA of the organization will ultimately be different.

Figure 1
Seven elements to Value Activation



The narrative can also convey confidence and resolve — it should express the attitude “we will get to the end-state” and speak about means of getting there. The activation program that follows will then be a natural extension of this narrative.

Once the narrative is created, it must be lived by the organization. Executives need to use the same language consistently and be visible in the activation program. They should “take the pulse” of the organization regularly and assess whether the end-state still resonates. This is easily described but can be surprisingly hard to do. It requires managers to step away from the “corporate document” and

Value Activation: ‘Getting Stuff Done’ was written by **Simon Horan, Tim McGrath, Peter Smith, Aubry Pierre** and **Philip Roux** of L.E.K. Consulting. Simon is based Chicago, Tim is based in Melbourne, and Peter, Aubry and Philip are based in London.

For more information, please contact info@lek.com.

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the periodic update email, to genuinely and consistently engage with staff. It is this personal element that distinguishes the most compelling end-state narratives and sets up an activation for success.

Targets: Challenging targets that are regularly reinforced

The well-articulated end-state is necessary but not sufficient. A “best endeavors” effort rarely enables an activation effort to achieve its full potential. Rather, targets are required to provide focus and to stretch the organization. Targets need to be challenging, aligned and linked to remuneration.

- **Challenging:** Incrementalism can act as a barrier to major change. Targets must be plausible, but they should also stretch the organization. It is often the stretch itself that demands fresh thinking and provides a drive to go above and beyond.
- **Aligned:** Top-level targets should cascade through the layers of the organization. They must provide relevant challenges at levels individuals can influence and be held to account for delivering. Ideally, the targets should connect financial outcomes with operational drivers and workstream deliverables.
- **Linked to remuneration:** It is a simple commercial reality that remuneration incentives motivate. Ideally, remuneration incentives should also cascade through the organization in a manner consistent with the targets.

The value of the targets is in the focus and urgency they provide, rather than in their decimal-point accuracy — they are not budgets; they are goals. Accordingly, targets should be sufficiently rigorous to be plausible, but need not always be developed from exhaustive bottom-up effort analysis. There is also merit in independently determined targets; as our experience shows, self-imposed targets are almost always conservative.

It is critical that targets, once established, are not subsequently renegotiated during delivery. Delivery is all about how to achieve the targets rather than about recalibrating the metrics.

Governance: Clear line of sight and driving accountability in the line

Ensuring appropriate governance arrangements is the “101” of any activation program. Order and structure are essential for any change program, or else complexity and uncertainty will undermine progress.

We recommend a governance model that provides a clear line of sight from the executive level to the lowest level of the activation program. Executives should have a formal and active role in workstreams, rather than simply sitting in judgment in a steering committee. Active involvement commits executives to the program and in turn demonstrates the importance of the program to the organization at large.

The real “stars of the show” are at the lowest levels of the governance hierarchy. Initiative owners are those who are actually responsible for getting stuff done. While governance arrangements must enable initiative owners to be held to account, it is even more important that these arrangements elevate and support them: The goal is to enable initiative owners, not just monitor them. Part of achieving this is empowering them with new decision rights that go beyond their “business as usual” responsibilities. This connects the activation program to individuals’ roles and helps overcome the concern that the activation program is “just another project.”

An Activation Office is essential. It acts as the governor of the program and steward of the content. It should have sufficient independence and authority to have “teeth.” The Activation Office must not concern itself only about the process and “ticking and flicking” through dull process examinations. Rather, the Activation Office must have the authority to truly evaluate the quality of the content and make decisions. It must be able to challenge anyone — up to the executive level — to meet the commitments that they have taken on or been assigned. Critical to the Activation Office playing such a role are two things. First, it must be staffed with true commercial talent rather than project managers who just happen to be available. Second, the Activation Office must have the unwavering support of the CEO and the other most senior executives in the business.

Initiatives: Structured and ‘gated’ process for initiative ideation, design and execution

Initiatives are the essence of any activation program: They are where the work is done and where the value is created.

A balance must be struck between large initiatives with high value and/or complex or interdependent outcomes versus the many smaller initiatives that are discrete and can often be easier to deliver. We generally favor avoiding a program that comprises only of a small number of highly complex, high-value initiatives.

There are benefits in deploying a larger number of more manageable initiatives. First, this can reduce the delivery complexity that can be inherent and hard to manage in aggregated, interlinked initiatives. Second, it mitigates the risk of substantive value erosion that can happen if one large initiative is hard to deliver. Third, it enables allocation of responsibilities to individuals rather than to teams, which may be more subject to dilution of responsibility. Finally, by having a larger number of initiatives and initiative owners, the program democratizes change throughout an organization and increases the likelihood of sustainable results.

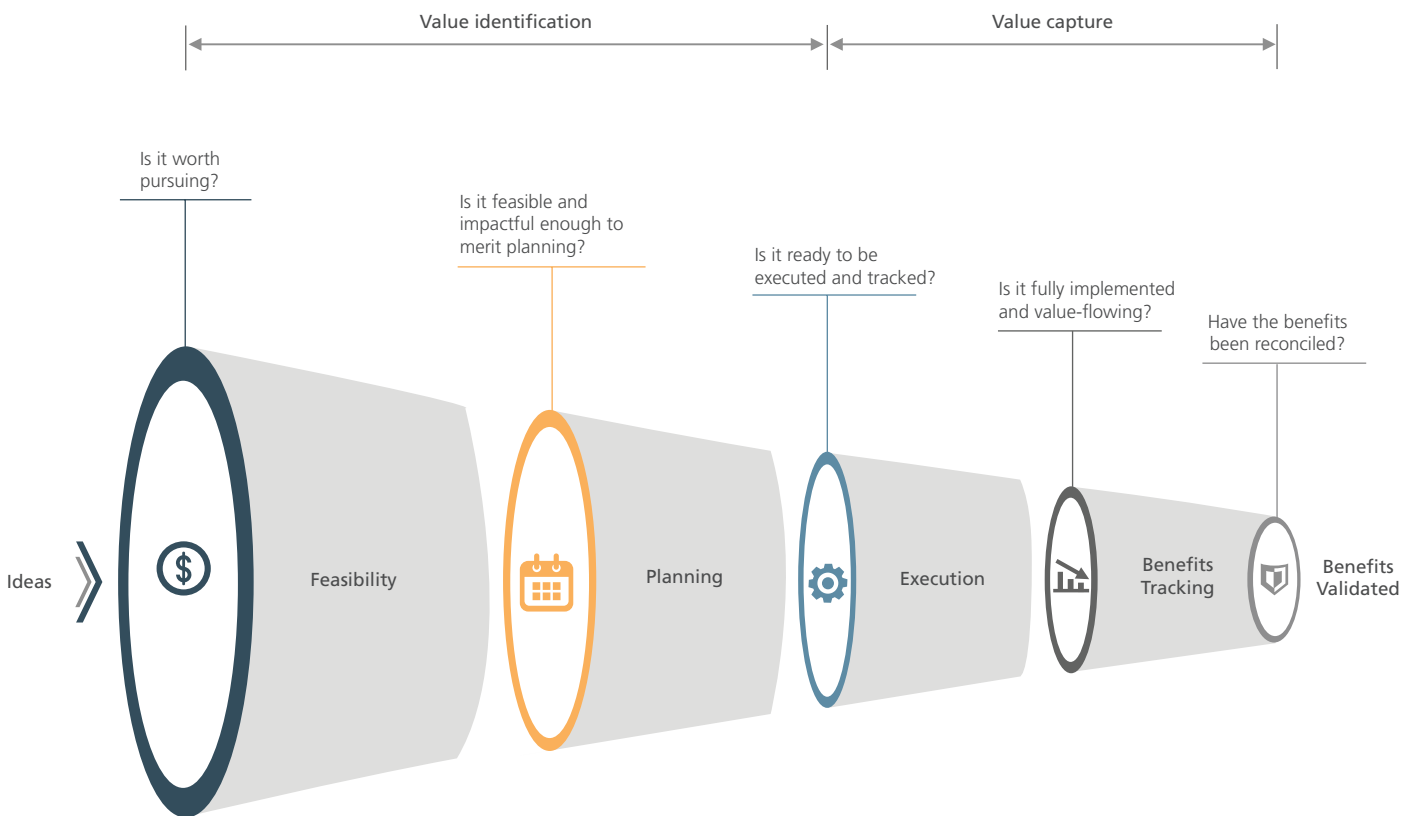
It is true of most activation programs that the ideas for initiatives often already reside within the organization but are somehow constrained and/or invisible. Open ideation and debate are important to allow those ideas to flow freely. This is often where the independence of third-party support is beneficial to help identify or seed ideas and to provide the analytical “horsepower” needed to convert good ideas into real initiatives.

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Initiatives must be high-quality, be deliverable and also be aligned with the overall activation program. However, these requirements can rarely be achieved early in the life cycle of an initiative. To prevent the stifling of a potentially valuable initiative, or the survival of bad ideas, but enable rigor, we favor a stage-gated approach.

mere repetitive demand of performing strongly in the weekly reviews can often be enough to drive momentum, especially if executives are regularly present. This rhythm must be sustained over a prolonged period — true change takes time

Figure 2
Gated initiative pipeline



It is perfectly acceptable for early-stage initiatives to be broad and underpinned by approximate estimates of value. But in order to migrate through the stage gates, evidence must be provided to ensure that the idea meets defined criteria and with increasing levels of confidence. It is a key role for the Activation Office to set these criteria and ensure that initiative quality is maintained as initiatives move through the stage gates. Such a process allows the freedom of idea generation and collaborative design, but the escalating levels of rigor and commitment progressively provide delivery certainty.

Rhythm: Fast and sustained pace to change

It is easy for the everyday business-as-usual challenges to become an excuse for failing to deliver on commitments. To mitigate this, we recommend a fast “rhythm” for the process. This can be enabled by compulsory weekly review sessions, held in a somewhat public forum, where workstreams and initiative owners speak to their efforts and challenges. The

and repetition. Ultimately, this new rhythm could potentially become business as usual.

Beyond the pressure of demonstrating weekly progress, the review sessions should be productive in their own right, ideally with a focus on assisting workstreams and initiative owners with the necessary content and expertise, overcoming barriers, and connecting opportunities across workstreams. The Activation Office should drive these sessions — it must bring expertise to the table and ensure that these discussions are decision- and content-centric rather than process-centric. The initiative stage gates are a central part of the weekly reviews — moving through a gate provides the opportunity for scrutiny and reward.

Last, we recommend that executives attend these weekly reviews — both as part of the Activation Office and as workstream owners where they are subject to full scrutiny. The presence of executives — and their exposure to scrutiny from the Activation Office — conveys to the organization the priority of the activation effort.

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Program management: Effective means of executing and managing the overall activation program

Activation programs typically comprise many initiatives, and as these gather momentum, a poorly coordinated activation process can quickly become complicated. Furthermore, as complexity escalates, risk increases.

The Activation Office is most effective when it establishes the end-to-end transparency necessary to coordinate the overall activation program. It must provide “one source of truth” in terms of priorities and progress. Program management is the critical support that enables workstreams and initiative owners to get their jobs done. They depend on the Activation Office for fit-for-purpose tools and processes to drive their initiatives and get on with the business of getting stuff done.

The Activation Office should function as a force for simplicity. For example, ideally, the same project management tool should be used by both the Activation Office and initiative owners. Use of a single tool ensures consistency, simplifies matters and enables one source of truth. Choice of the tool matters: Traditional project management tools are often built for “old school” program management environments or (worse still) repurposed from technology project management settings. These traditional tools are typically overengineered and cumbersome compared with the more agile centric and democratic nature of L.E.K.’s Value Activation approach.

We utilize a bespoke and customizable tool to bridge the gap between traditional project management and our more agile and team-based approach. The tool is designed with the initiative owner in mind. It provides the initiative owner with a consolidated environment to plan, record and manage their initiatives on a day-to-day basis. It is intuitive in nature, and this lowers the barrier to deployment. Initiative owners at the lowest levels can drive the project effectively after a short familiarization period. The initiative view can be “rolled up” to as many levels as needed: subworkstreams, workstreams, all the way up to the overall program level. The project can be “sliced and diced” in a variety of ways. Overall, the tool strikes the ideal balance between devolving delivery accountability to initiative owners and providing the Activation Office and executives full visibility and influence over any part of the program.

Collaborative design: Guiding and upskilling senior management and initiative owners

In order to get things done, a well-designed activation program will include the methods, the tools and the motivating tensions

of stretch targets described above. But the best programs go one critical step further to ensure the necessary commitment to change and quality of the content. The central ingredient of an activation program is collaborative design.

The creation of lasting change requires the commitment and support of the organization. Executives and initiative owners will push back against change that is imposed on them but will embrace change that they can contribute to structuring. Moreover, when the stakes are high, and the change is complex or important, it is unlikely that the organization will have all the necessary skills, capabilities or capacity to fully address all issues — the input of a third party or specialist resource can provide unique perspectives and/or incremental capacity.

The activation program can collaboratively design by supporting initiative owners in three critical ways:

- Ensuring the Activation Office becomes a true discussion partner for the initiative owners, helping them with the content of their work and evaluating the quality of the output.
- Deploying internal and external specialist resources to the initiatives in order to help them in specific areas. These resources are there not to do initiative owners’ work for them, but to work with them. They are there to bring content-specific expertise, analytical expertise or methods to help overcome roadblocks.
- Coaching executives and initiative owners. This is especially important when initiative ownership is distributed to midlevels of the organization. In these cases, initiative owners are often experienced “doers,” but need coaching and support to overcome a lack of leadership and structured problem-solving expertise.
- Again, the coach’s role is not to do initiative owners’ work for them — doing so compromises their ownership. Rather, it is to aid them in the method of the program, help overcome roadblocks, and tread a fine line between encouragement and applying pressure.

Done well, collaborative design, supported by selective coaching, can ensure high-quality output, drive momentum and enable sustainable results by building capabilities deep into the organization.

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Conclusion

Getting stuff done is hard. It often means pulling against the inertia of an organization that has stalled. It requires a series of balancing acts, between an inspiring end-state and challenging targets; between central coordination and democratization of the change; between creativity and discipline; and between detailed planning and agile responses. Getting stuff done must also balance pressure for results with a collaborative design for lasting capability and change.

Achieving this balance is at the essence of our Value Activation method. Every activation program will have its nuance. But our experience is that all the elements of our approach remain relevant and can be applied with a proper appreciation of the circumstances for getting things done in all kinds of companies with all manner of activation challenges. And when all these elements work together in concert, it provides the best foundation for enabling enduring change.

About the Authors



Simon Horan is a Partner in L.E.K. Consulting's Chicago

office. Simon's focus is on assisting clients to drive major activation programs across the areas of strategy, organizational effectiveness and performance improvement.



Tim McGrath is a Partner in L.E.K. Consulting's Melbourne

office. Tim leads L.E.K.'s Organisation & Performance practice in Australia. Tim has a passion for working with management teams to activate change and drive value within their businesses.



Peter Smith is a Partner in L.E.K. Consulting's London

office. Peter has been with the firm for more than 27 years and is mainly active in the corporate strategy side of our business and in leading performance improvement work throughout the U.K. and Europe.



Aubry Pierre is a Partner in L.E.K. Consulting's London

office. Aubry leads L.E.K.'s Organisation & Performance practice in Europe. He has over 25 years of experience helping CEOs in the strategic transformation of their enterprises.



Philip Roux is a Principal at L.E.K. Consulting and is based in the London office. Philip has been

with the firm for over 10 years and is the Global Organization & Performance Practice Manager. He has extensive experience in running organizational design and effectiveness projects as well as broader performance improvement engagements and major transformations.

About L.E.K. Consulting

L.E.K. Consulting is a global management consulting firm that uses deep industry expertise and rigorous analysis to help business leaders achieve practical results with real impact. We are uncompromising in our approach to helping clients consistently make better decisions, deliver improved business performance and create greater shareholder returns. The firm advises and supports global companies that are leaders in their industries — including the largest private- and public-sector organizations, private equity firms, and emerging entrepreneurial businesses. Founded in 1983, L.E.K. employs more than 1,200 professionals across the Americas, Asia-Pacific and Europe. For more information, go to www.lek.com.